

House Engrossed

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
House of Representatives
Fiftieth Legislature
First Regular Session
2011

CHAPTER 119

HOUSE BILL 2572

AN ACT

AMENDING SECTION 41-725, ARIZONA REVISED STATUTES; RELATING TO STATE AND
LOCAL GOVERNMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-725, Arizona Revised Statutes, is amended to
3 read:

4 41-725. Comprehensive database of receipts and expenditures of
5 state monies; local reporting; definition

6 A. ~~On or before January 1, 2011,~~ The department shall establish and
7 maintain an official internet website that is electronically searchable by
8 the public at no cost and that contains a comprehensive database of receipts
9 and expenditures of state monies. THE DATABASE SHALL INCLUDE THE INFORMATION
10 AS PRESCRIBED IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF A BUDGET UNIT
11 THAT HAS BEEN MADE BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT WHO
12 IS CURRENTLY LICENSED BY THE ARIZONA STATE BOARD OF ACCOUNTANCY AND WHO IS
13 NOT AN EMPLOYEE OF THE DEPARTMENT. THE REPORT SHALL BE MADE IN ACCORDANCE
14 WITH GENERALLY ACCEPTED AUDITING STANDARDS AND SHALL CONTAIN FINANCIAL
15 STATEMENTS THAT ARE IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING
16 PRINCIPLES. IF THE DEPARTMENT HAS A COMPREHENSIVE ANNUAL FINANCIAL REPORT OF
17 A BUDGET UNIT THAT HAS BEEN PRESENTED WITH A CERTIFICATE OF ACHIEVEMENT FOR
18 EXCELLENCE IN FINANCIAL REPORTING BY THE GOVERNMENTAL FINANCE OFFICERS
19 ASSOCIATION, THE DEPARTMENT MAY POST SUCH A FINANCIAL REPORT TO SATISFY THE
20 REQUIREMENTS OF THIS SUBSECTION.

21 B. The department must present information in the database in a manner
22 that is intuitive to members of the general public, including graphical
23 representations. The database must allow users to:

24 1. Search and aggregate payments by individual budget units and
25 programs.

26 2. Search and aggregate payments by individual vendors, including the
27 total amount of state funding awarded by all budget units to individual
28 vendors.

29 3. Download information yielded by a search of the database.

30 4. Access electronic versions of contracts that relate to
31 expenditures.

32 C. The database shall include the following information:

33 1. Annual receipts of revenues, including:

34 (a) Receipts or deposits by each state budget unit into funds
35 established in the state treasury.

36 (b) Taxes.

37 (c) Earnings by each budget unit, including amounts collected for
38 merchandise sold, services performed and licenses, certifications and permits
39 issued.

40 (d) Revenue from the use of publicly owned money or property,
41 including leases and licenses.

42 (e) Gifts, donations and grants received, including amounts received
43 from the federal government.

44 (f) Any other type of public revenue, however denominated or derived,
45 deposited into the state treasury.

1 2. Annual expenditures and disbursements of state revenues by each
2 state budget unit from funds established in the state treasury, as
3 applicable, including:

- 4 (a) Bond payments, debt service and redemption charges and fees.
- 5 (b) Contractual services and cooperative agreements.
- 6 (c) Commodities.
- 7 (d) Capital outlay.
- 8 (e) Revenue sharing and other aid to other levels of government,
9 including tribal governments.
- 10 (f) Any other expenditure or disbursement of state revenue from the
11 state treasury, however denominated or structured.

12 D. Expenditure data shall list:

- 13 1. The manner of payment, including check or warrant or credit, debit
14 or other purchase card.
- 15 2. The funding source, including categorical codes and the state
16 accounts the expenditure is appropriated from.
- 17 3. A standardized descriptive title of the type and purpose of the
18 transaction.
- 19 4. The date and amount of each payment.
- 20 5. The state agency or budget unit making the payment.
- 21 6. The name of the person or entity receiving the payment, including
22 to the extent practical a parent entity of the recipient if the recipient is
23 owned by another entity.
- 24 7. The primary location of performance under the contract, including
25 the county, city or town and legislative district.

26 E. The database shall not include:

- 27 1. Tax payment or refund data that include confidential taxpayer
28 information.
- 29 2. Data relating to payments of state assistance to individual
30 recipients.
- 31 3. Payees' addresses or telephone numbers, but the department may
32 allow public access in the database to information identifying the county in
33 which the payee is located.
- 34 4. Work product in anticipation of litigation or information subject
35 to attorney-client privilege.
- 36 5. Any other information that is designated by law as confidential or
37 preapproved as confidential by the department pursuant to rule. The
38 department and any officer or employee of the department:
 - 39 (a) May rely on a determination made by a budget unit regarding
40 confidentiality of information relating to the budget unit's expenditures.
 - 41 (b) Are immune from civil liability for posting confidential
42 information under this section if the posting is in reliance on the budget
43 unit's determination relating to confidentiality.

1 F. Each budget unit shall cooperate with the department as necessary
2 to implement and administer this section. Each budget unit shall provide to
3 the department any additional data in a manner and schedule prescribed by the
4 department that are required to be included in the database. The database
5 shall be updated within thirty days after the end of each fiscal year and may
6 be updated as new data become available. The data shall be retained in the
7 database for at least ten full fiscal years.

8 G. The governor, secretary of state, state treasurer and legislature
9 shall include a link to the database under this section in their individual
10 official websites. Each budget unit that maintains a generally accessible
11 internet website, or for which a generally accessible website is maintained,
12 shall include a link on that website to the database under this section.

13 H. On or before January 1, 2013, each local government shall establish
14 and maintain an official internet website that is accessible to the public at
15 no cost and that contains a comprehensive reporting of all revenues and
16 expenditures over five thousand dollars of local monies in as nearly as
17 practicable the same manner and consistent with the provisions of subsections
18 B through E. THE DATABASE SHALL INCLUDE THE INFORMATION AS PRESCRIBED IN THE
19 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF A BUDGET UNIT THAT HAS BEEN MADE BY
20 A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT WHO IS CURRENTLY LICENSED
21 BY THE ARIZONA STATE BOARD OF ACCOUNTANCY AND WHO IS NOT AN EMPLOYEE OF THE
22 LOCAL GOVERNMENT. THE REPORT SHALL BE MADE IN ACCORDANCE WITH GENERALLY
23 ACCEPTED AUDITING STANDARDS AND SHALL CONTAIN FINANCIAL STATEMENTS THAT ARE
24 IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF A LOCAL
25 GOVERNMENT HAS A COMPREHENSIVE ANNUAL FINANCIAL REPORT OF A BUDGET UNIT THAT
26 HAS BEEN PRESENTED WITH A CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN
27 FINANCIAL REPORTING BY THE GOVERNMENTAL FINANCE OFFICERS ASSOCIATION, THE
28 LOCAL GOVERNMENT MAY POST SUCH A FINANCIAL REPORT TO SATISFY THE REQUIREMENTS
29 OF THIS SUBSECTION. A link to this data shall be displayed in a prominent
30 place on the local government's official internet website OR ON A WEBSITE OF
31 AN ASSOCIATION OF CITIES AND TOWNS FOR CITIES AND TOWNS THAT DO NOT HAVE
32 OFFICIAL WEBSITES AND ON THE DEPARTMENT'S OFFICIAL INTERNET WEBSITE AS
33 PRESCRIBED IN THIS SECTION. The data shall be updated no less frequently
34 than every three months and may be updated as new data becomes available.
35 The data shall be retained and accessible ~~on the website~~ ONLINE for at least
36 three fiscal years.

37 I. For the purposes of this section "local government" means:

38 1. A county, city or town with a population of more than twenty-five
39 hundred persons.

40 2. Any community college district and school district having a student
41 count of more than six hundred pupils.

42 3. A state university.

APPROVED BY THE GOVERNOR APRIL 14, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2011.

Passed the House March 7, 20 11

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

Cheryl Laube
Chief Clerk of the House

Passed the Senate April 7, 20 11

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

[Signature]
President of the Senate

Charmine Ballington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

11 day of April, 20 11

at 2:40 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 14th day of

April

at 3:05 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 14th day of April, 20 11

at 5:07 o'clock P. M.

[Signature]
Secretary of State

H.B. 2572